



MEETING MINUTES
CITY OF HUNTINGTON BEACH
FINANCE BOARD
WEDNESDAY, JUNE 10, 2009 AT 6:00 PM
CIVIC CENTER, LOWER LEVEL, ROOM B-8

- 1) **CALL TO ORDER:** At 6:05 PM, Chair Falzon called the meeting to order.
Present: Vice Chair LoGrasso Members: Corkett, Garcia, and Jones
Absent: Member King
Also Present: Bob Wingenroth, Director of Finance and Carrie Gonzales, Administrative Assistant
- 2) **PUBLIC COMMENTS:**
No public comments were made.
- 3) **APPROVAL OF MEETING MINUTES:**
May 13, 2009 – Member Garcia made a motion to approve the minutes as amended, seconded by Member Corkett. The motion was approved 4-1-1. (Member Jones abstained and Member King absent)
- 4) **STAFF REPORTS/BUSINESS ITEMS:**
 - a) **Chairman's Update**
Chair Falzon gave an update on the City Council study session held on May 18, regarding the Intergovernmental Relations Committee (IRC) recommendations for potential consolidation of boards, commissions, and committees. The IRC proposed to combine the Investment Advisory Board and Finance Board. A member of the Investment Advisory Board spoke and gave his reasons why the two boards should remain separate. The City Council voted to keep the Investment Advisory and Finance Boards as two separate boards.
 - b) **Cost Allocation and Fee Study Update**
Bob Wingenroth informed the Board a public hearing regarding the fee study will be held at the City Council Meeting on June 15. At the June 1 City Council study session, staff presented to City Council over 900 updates on the city's current fees. The fees are listed in three different categories: User fees, Development fees, and Recreation & Rental fees. The city's consultant, MGT of America, evaluated the current fees and made the following recommendations: 33% of the current fees remain the same, 14% of the fees are reduced, and 52% of the fees to be raised. The staff will recommend 100% cost recovery to the City Council. The planning development fees will be recovered in a 3-year phase, 80% 1st year, 90% 2nd year, and 100% recovery in the 3rd year. If approved, User fees and recreation & rental fees can be implemented immediately. Development fees could not be raised for two months after approval.
 - c) **Strategic Plan Update**
Bullet #1 – Bob Wingenroth informed the Board staff is still discussing the current financial policies relating to the reserves and has not finalized the version it will be presenting to City Council at the first study session in July. The Board asked if staff would be able to send a copy of the new financial policies to them before the next scheduled meeting. The Board has some discussion concerning the draft version.

Bullet #2 – Bob Wingenroth informed the Board since the May 2009 monthly report staff has met with the city's consultant, HDL, for property tax and sales tax along with the County Treasurer, and received an update on the property tax, sales tax, and transient occupancy tax (TOT) revenues. The city projected property taxes for FY 2008/09 to be 1.5% greater than last fiscal year 2007/08 and sales tax to maintain the same level. The consultants have suggested downgrading property tax revenue to 1%, which would be approximately a \$750,000 reduction and reduce sales tax by 8%. Sales tax reduction is primarily due to the auto industry. TOT would also have a drop in revenue. Management has asked departments for a 7% reduction in operating and maintenance for fiscal year 2009/10 and will be asking for additional



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reductions in the next day or so. There still is a hiring freeze and with the current vacant positions, there is approximately 7 million in savings.

Chair Falzon had a question regarding item 2 of the RCA dated 5/18/09, page 9-7. Item 2 is RDA to accelerate repayment of the debt and/or issue new debt to the city to fund the infrastructure shortfall and present the result to the City Council/RDA for direction. The RCA lists this as completed at the March 2 Council Meeting, he has asked staff if they would provide the completed information on this item for the July 8 meeting.

d) Cost savings suggestions – Revenue generating ideas for City Council

The Board was given a copy of an updated draft of the employee suggestions. Bob Wingenroth informed the Board the City Administrator has created a committee to review all the suggestions. He has been asked to sit on the committee. The City Administrator has assigned these comments to different departments and has asked them to have their responses to him by June 24. The Board generally supported the general recommendations.

5) OPEN/CLOSED ITEM LIST

There were no changes made to the current open list.

6) COMMENTS FROM BOARD MEMBERS

Chair Falzon mentioned his water meter was recently changed by City employees, what was wrong with the meter. The worker informed him the city was replacing his new style meter with an old style because the new style was not reliable. Chair Falzon suggested the city maybe moving in the wrong direction by replacing the new style meters with the old style meters due to the fact you now need a meter reader for the old style. Bob also mentioned the City of Phoenix is moving towards replacing all meters in the city to the new style. The employees would drive down the center of the street to read the meters vs. going house to house.

Chair Falzon mentioned that as part of the Boards yearly calendar, the Board reviews the CIP and CIR in July. He asked if staff has a draft for their review, and if not, does staff have a date when one would be available. Chair Falzon asked if there is a draft, would staff be able to mail it to the Board prior to the July 8 meeting.

ADJOURNMENT

Vice Chair LoGrasso made a motion at 8:10 PM to adjourn the meeting to Wednesday, July 8, 2009, at 6:00 PM, seconded by Member Jones. The motion was approved 5-0-1. (Member King absent)

Respectfully submitted by:
Bob Wingenroth, Director of Finance
Secretary to the Finance Board